

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 FMC-01 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CG-00 DLOS-09

OES-07 SS-15 NSC-05 L-03 H-01 /067 R

DRAFTED BY EB/TCA/MA:JAPURNELL:EW

APPROVED BY EB/TCA:JWBILLER

EB/TCA/MA:CTAYLOR

ARA/CEN:LPFEIFLE

FMC:PWILKES (SUBS.)

ARA/ECP:DTAHER (INFO)

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P 161417Z DEC 77

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA PRIORITY

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E.O. 11652:N/A

TAGS: EWWT, GT

SUBJECT: FMC SANCTIONS ON GUATEMALAN SHIPPING AND
ASSOCIATED CARRIERS

REF: A) PFEIFEL/ISAACS TELCON, 12-14-77, B) GUATEMALA
7531, C) GUATEMALA A-69

1. THE FEDERAL MARITIME COMMISSION PUBLISHED IN THE FEDERAL
REGISTER ON DECEMBER 14 ITS FINAL RULE ESTABLISHING AN
EQUALIZATION FEE OF 50 PER CENT OF THE FREIGHT CHARGES ON
GOODS CARRIED FROM THE U.S. TO GUATEMALA BY ARMAGUA LINE,
FLOTA MERCANTE GRAN CENTROAMERICANA, LINEAS MARITIMAS DE
GUATEMALA, PAN AMERICAN MAIL LINE, AND COORDINATED CARIB-
BEAN TRANSPORT. THE RULE GOES INTO EFFECT ON JANUARY 13,
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1978.

2. THE RULE REQUIRES THE CARRIERS TO ESTABLISH AN EQUALI-
ZATION FEE PAYMENT GUARANTEE -- BY MEANS OF A CERTIFIED
CHECK OR SURETY BOND -- EQUAL TO ONE-SIXTH THE FREIGHT
CHARGES EARNED BY THE LINES IN THE PRECEDING TWELVE MONTHS
ON CARGO LOADED IN THE U.S. FOR UNLOADING IN GUATEMALA, OR

IN THE AMOUNT OF DOLLARS 75,000, WHICHEVER IS GREATER.

3. THE RULE REQUIRES THAT THE CARRIERS FAVORED BY GUATEMALAN LAW MUST FILE WITH THE COMMISSION WITHIN FOUR DAYS OF DEPARTURE OF EACH VESSEL FROM ITS LAST U.S. PORT OF CALL AN EXTENSIVE REPORT ON THE VESSEL'S REGISTRY, FREIGHT CHARGES EARNED ON THE VOYAGE, GOODS CARRIED, NAMES AND ADDRESSES OF SHIPPERS AND CONSIGNEES, ETC., AND PAY THE REQUIRED EQUALIZATION FEE.

4. THE EQUALIZATION FEE IS PAID ON ALL CARGO CARRIED FROM THE U.S. TO GUATEMALA, BUT REFUNDS MAY BE RECEIVED IF A CARRIER SHOWS, TO THE SATISFACTION OF THE COMMISSION, THAT A PARTICULAR SHIPMENT IS NOT RECEIVING BENEFITS UNDER THE GUATEMALAN INDUSTRIAL LAWS OR THE CENTRAL AMERICAN AGREEMENT ON TAX INCENTIVES FOR INDUSTRIAL DEVELOPMENT. IF EQUALIZATION FEES ARE NOT PAID, THE COMMISSION MAY ORDER THAT VESSELS OF FAVORED CARRIERS MAY NOT ENTER U.S. PORTS.

5. DEPARTMENT HAS APPRISED COMMISSION OF CONCERN OF EMBASSY GUATEMALA AND OF GUATEMALAN EMBASSY IN WASHINGTON THAT FMC SANCTIONS WILL ENTER INTO EFFECT BEFORE EXPIRATION OF 60-DAY IMPLEMENTATION PERIOD SPECIFIED IN GUATEMALAN LAW. HOWEVER, COMMISSION HAS REITERATED THAT EQUALIZATION FEES MUST BE PAID BEGINNING JANUARY 13 LIMITED OFFICIAL USE

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IF ON THAT DATE THE GOG IS STILL FAVORING GUATEMALAN AND ASSOCIATED CARRIERS UNDER DECREE 41/71, AND IS THEREBY CONTINUING ITS DISCRIMINATION AGAINST OTHER CARRIERS IN THE TRADE. COMMISSION COULD NOT REVISE ITS RULE UNTIL AFTER EXAMINING NOT ONLY THE TEXT OF THE NEW LAW, BUT ALSO THE IMPLEMENTING REGULATIONS THAT MUST BE ISSUED WITHIN 60 DAYS PURSUANT TO IT. IF THE GOG DOES NOT BRING DECREE

26-77 INTO FORCE BEFORE JANUARY 13, THE ONLY WAY TO AVOID IMPOSITION OF FMC SANCTIONS WOULD APPEAR TO BE ISSUANCE OF WAIVERS BY GOG TO CARRIERS NOT FAVORED BY DECREE 41/71 DURING THE INTERIM PERIOD BETWEEN ENACTMENT AND IMPLEMENTATION OF DECREE 26-77.

6. GUATEMALAN EMBASSY HAS BEEN IN DIRECT CONTACT WITH FMC, AND IT IS LIKELY THAT AMBASSADOR LAMPORT WILL CALL ON CHAIRMAN DASCHBACH PERSONALLY. THE CHAIRMAN WILL DISABUSE THE AMBASSADOR, POLITELY BUT FIRMLY, OF ANY HOPE THAT THE COMMISSION MIGHT VOTE TO SUSPEND ITS RULE WHILE DISCRIMINATORY GUATEMALAN LAWS WERE STILL BEING ENFORCED.

7. DEPARTMENT POUCHING COPY OF FINAL FMC RULE TO
EMBASSY. VANCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, FREIGHT RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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